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**15TH JUDICIAL DISTRICT  
INDIGENT DEFENDER BOARD**

Financial Statements

December 31, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/20/03

**J. L. SONNIER**  
*Certified Public Accountant*  
*Lafayette, Louisiana*

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**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Fifteenth Judicial District  
Indigent Defender Board  
Lafayette, Louisiana

I have audited the accompanying general purpose financial statements of the Fifteenth Judicial District Indigent Defender Board, a component unit of the Lafayette City/Parish Consolidated Government, as of and for the year ended December 31, 2002, as listed in the table of contents. These general purpose financial statements are the responsibility of the Fifteenth Judicial District Indigent Defender Board's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Fifteenth Judicial District Indigent Defender Board, a component unit of the Lafayette City/Parish Consolidated Government, as of December 31, 2002 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued a report dated February 18, 2003 on my consideration of the Board's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.



February 18, 2003

**FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD**  
**COMBINED BALANCE SHEET – ALL FUND TYPES AND ACCOUNT GROUPS**  
**December 31, 2002**

	General Fund	General Fixed Assets Account Group	Totals (Memorandum Only)	
			2,002	2001
<b>ASSETS</b>				
Cash	48,353	–	48,353	4,052
Due from other governments – Court costs and bond forfeits receivable	95,351	–	95,351	99,498
Equipment	–	77,789	77,789	77,498
Prepaid insurance	–	–	–	861
<b>Total assets</b>	<b>143,704</b>	<b>77,789</b>	<b>221,493</b>	<b>181,909</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts payable	2,397	–	2,397	46,145
Payroll taxes payable	410	–	410	1,347
<b>Total liabilities</b>	<b>2,807</b>	<b>–</b>	<b>2,807</b>	<b>47,492</b>
Fund equity:				
Investment in general fixed assets	–	77,789	77,789	77,498
Fund balance – Unreserved, undesignated	140,897	–	140,897	56,919
<b>Total fund equity</b>	<b>140,897</b>	<b>77,789</b>	<b>218,686</b>	<b>134,417</b>
<b>Total liabilities and fund equity</b>	<b>143,704</b>	<b>77,789</b>	<b>221,493</b>	<b>181,909</b>

See Notes to Financial Statements.

**FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL – GENERAL FUND  
Year Ended December 31, 2002  
With Comparative Actual Amounts for Year Ended December 31, 2001**

	<u>2002</u>		<u>Variance – Favorable (Unfavorable)</u>	<u>2001 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
<b>Revenues:</b>				
Intergovernmental revenues				
Court costs and bond forfeitures	1,055,500	1,030,544	(24,956)	1,089,635
District Assistance Fund – Louisiana IDB	252,000	252,334	334	270,112
Fees – partially indigent	135,500	146,745	11,245	129,069
Miscellaneous revenues				
Interest	1,200	1,385	185	1,634
Other	–	–	–	700
<b>Total revenues</b>	<u>1,444,200</u>	<u>1,431,008</u>	<u>(13,192)</u>	<u>1,491,150</u>
<b>Expenditures:</b>				
Current – general government				
Salaries, retainers and related benefits	1,263,375	1,239,413	23,962	1,436,620
Professional services	70,000	33,140	36,860	77,187
Office and administrative	54,700	54,362	338	50,391
Insurance	19,250	19,823	(573)	25,977
Capital outlays – equipment	2,500	292	2,208	10,763
<b>Total expenditures</b>	<u>1,409,825</u>	<u>1,347,030</u>	<u>62,795</u>	<u>1,600,938</u>
<b>Excess (deficiency) of     revenues over expenditures</b>	<b>34,375</b>	<b>83,978</b>	<b>49,603</b>	<b>(109,788)</b>
 Fund balance, beginning	<u>56,919</u>	<u>56,919</u>	<u>–</u>	<u>166,707</u>
 Fund balance, ending	<u><u>91,294</u></u>	<u><u>140,897</u></u>	<u><u>49,603</u></u>	<u><u>56,919</u></u>

See Notes to Financial Statements.

**FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying component unit financial statements of the Fifteenth Judicial District Indigent Defender Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of certain significant accounting policies:

**Reporting Entity**

As the governing authority of the parish, for reporting purposes, the Lafayette City/Parish Consolidated Government (primary government) is the financial reporting entity for Lafayette Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the primary government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the primary government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.
2. Organizations for which the primary government does not appoint a voting majority but are fiscally dependent on the primary government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Indigent defender boards, criminal court funds, and judicial expense funds are part of the operations of the district court system. The district court system is fiscally dependent on the primary government for office space and courtrooms. The substance of the relationship between the district court system and the primary government is that the primary government has approval authority over its capital budget. In addition, the nature and



## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

significance of the relationship between the district court and the primary government is such that exclusion from the primary government's financial statements would render the financial statements incomplete or misleading. For these reasons, indigent defender boards are considered component units of the primary government. The Fifteenth Judicial District Indigent Defender Board is comprised of the parishes of Acadia, Lafayette and Vermillion. It was determined to be a component unit of the Lafayette City/Parish Consolidated Government based on revenues received from and support provided by each parish's court systems. The accompanying financial statements present information only on the funds maintained by the Fifteenth Judicial District Indigent Defender Board.

### **Fund Accounting**

The accounts of the Board are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of a fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. The General Fund is the operating fund of the board. It is used to account for all financial resources not accounted for in the General Fixed Assets Account Group.

### **Fixed Assets and Long-Term Liabilities**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

The General Fund operations are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on its balance sheet.

Fixed assets are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the General Fund when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost.

### **Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The General Fund is accounted for using the modified accrual basis of accounting. Its revenues are recognized when they become measurable and available (within 60 days) as net current assets. Expenditures are generally recognized when the related fund liability is incurred.

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### **Budgets and Budgetary Accounting**

The Board follows these procedures in establishing the annual budget:

- The chief public defender prepares a proposed budget and submits it to the members of the board of directors for their approval prior to the beginning of each year.
- Budgetary amendments involving an increase in attorney retainers, salaries, capital expenditures, or an increase in total expenditures require the approval of the board of directors.
- All budgetary appropriations lapse at the end of each fiscal year.

The General Fund budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board. Such amendments were not material in relation to the original appropriations. The Board does not employ encumbrance accounting.

### **Total Column on Combined Statement**

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

### **Dollar Signs**

All numeric data in the financial statements and accompanying notes are presented in U.S. dollars. Dollar signs have been omitted.

## **2. BANK DEPOSITS AND INVESTMENTS**

The Board may invest in direct United States Treasury obligations, U.S. Government Agency obligations guaranteed by the U.S. Government, time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana, and investments as stipulated in LSA-R.S. 39:2955.

At December 31, 2002, bank deposits were insured by the FDIC.

## **3. COURT COSTS AND BOND FORFEITURES RECEIVABLE**

This is the aggregate amount due from the various courts and district attorney offices of the Fifteenth Judicial District for court costs collected and bonds forfeited in 2002 and not remitted as of December 31.



## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### 4. CHANGES IN GENERAL FIXED ASSETS

General fixed assets is comprised of office furniture and equipment. The following is a summary of changes in the general fixed assets account group during 2002.

Balance, December 31, 2001	77,498
Additions	291
Retirements	-
Balance, December 31, 2002	<u>77,789</u>

### 5. RETIREMENT SYSTEM

The Board offers its employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. The plan, 15<sup>th</sup> Judicial District Public Defenders Deferred Compensation Program (457), is administered by Nationwide Retirement Solutions. The plan, available to all Board employees, permits deferral of a portion of compensation until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Board may contribute to each participating employee account. For the year ended December 31, 2002 the Board's total contributions were -0- and employee deferrals totaled 732. Total employer contributions and participant deferrals may not exceed the lesser of 7,500 or 33 1/3% of the employee's compensation.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in a trust, custodial account or annuity contract described in IRC 457 (g) for the exclusive benefit of the participants and their beneficiaries.

The fair market value of the deferred compensation plan assets at December 31, 2002 was 3,379.

All employees of the Board are also members of the Social Security System. The Board and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Board, 7.65%, by the employee). The Board's contribution during the year ended December 31, 2002 was 10,005.

### 6. COMPENSATED ABSENCES

No accrual has been made for vacation or sick pay because unused vacation and sick days are not available to be carried forward or subject to extra pay if unused.

## **NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

### **7. RECLASSIFICATION OF PRIOR YEAR AMOUNTS**

Certain amounts reported in the prior year have been reclassified for comparative purposes with current year amounts.

### **8. RISK MANAGEMENT**

The Board is exposed to risks of loss in the areas of general liability, malpractice, property hazards and workers' compensation. General liability, property hazards and workers' compensation risks are handled through the purchase of commercial insurance. There were no significant reductions in insurance coverage during 2002 and settlements have not exceeded insurance coverage in any of the past three years. Malpractice risks are uninsured. The Board is unaware of any outstanding claims or losses as of December 31, 2002. There were no outstanding claims as of December 31, 2001, and no claims were paid during 2002.

### **9. BOARD MEMBER COMPENSATION**

The members of the board of directors of the Fifteenth Judicial District Indigent Defender Board serve on a voluntary basis and receive no form of compensation for those duties.

### **10. NEW REPORTING STANDARD**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. When implemented, it will require new information and restructure much of the information that governments have presented in the past. Comparability with reports issued in all prior years will be affected. The Fifteenth Judicial District Indigent Defender Board is required to implement this standard for the fiscal year ending December 31, 2004. The Board has not yet determined the full impact that adoption of GASB Statement 34 will have on the financial statements.

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Board of Directors  
Fifteenth Judicial District  
Indigent Defender Board  
Lafayette, Louisiana

I have audited the general purpose financial statements of the Fifteenth Judicial District Indigent Defender Board, a component unit of the Lafayette City/Parish Consolidated Government, as of and for the year ended December 31, 2002, and have issued my report thereon dated February 18, 2003. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

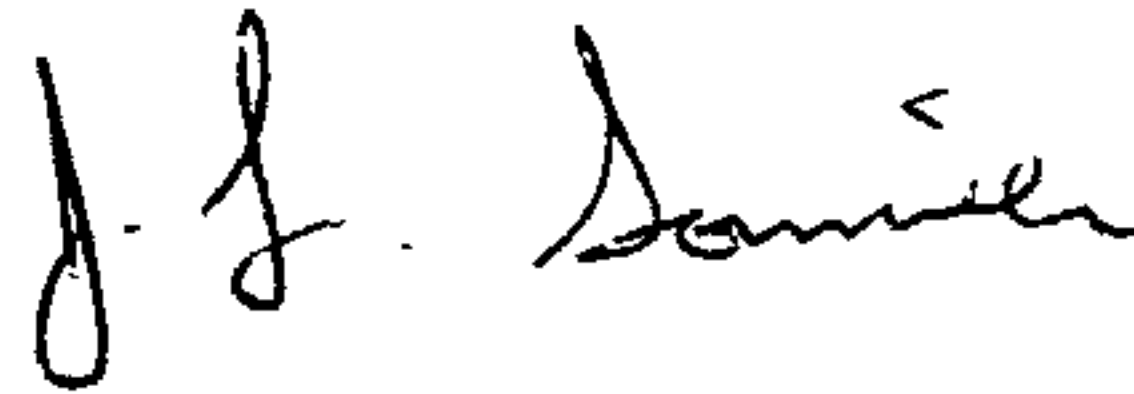
As part of obtaining reasonable assurance about whether the Fifteenth Judicial District Indigent Defender Board's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Fifteenth Judicial District Indigent Defender Board's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Fifteenth Judicial District Indigent Defender Board's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of audit findings as item 02-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of the board of directors, management, the Lafayette City/Parish Consolidated Government, grantor agencies and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "J. J. Samuels". The signature is written in a cursive style with a large initial "J" and a distinct "S" at the end.

February 18, 2003

**FIFTEENTH JUDICIAL DISTRICT INDIGENT DEFENDER BOARD**

**Schedule of Prior and Current Audit Findings and  
Management's Corrective Action Plan  
Year Ended December 31, 2002**

**I. Prior Year Findings:**

**Compliance**

There are no findings that are required to be reported under the above.

**Internal Control Over Financial Reporting**

**Inadequate Segregation of Accounting Functions**

**Finding:**

Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

**Status:**

Unresolved. See item 02-1.

**II. Current Year Findings and Management's Corrective Action Plan:**

**Compliance**

There are no findings that are required to be reported under the above.

**Internal Control Over Financial Reporting**

**Item 02-1 - Inadequate Segregation of Accounting Functions**

**Finding:**

Due to the small number of employees, the District did not have adequate segregation of functions within the accounting system.

**Management's corrective action plan:**

Management has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.